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**Legislative information on the Internet:**  
[www.leg.wa.gov](http://www.leg.wa.gov)

**State government on the Internet:**  
[www.access.wa.gov](http://www.access.wa.gov)

## Get Connected to the Legislature

Information about the Legislature is as close as your keyboard and your television. There are plenty of ways to get involved and stay informed on issues important to you.

Want to look up a bill? A law? Our state Constitution? You can do all this and find a wealth of other useful information at the Legislature's Internet home page (<http://www1.leg.wa.gov/legislature>).

- 1) Type the Internet address (officially known as the URL: it's the line beginning with "http") in the address line of your computer's Internet browser, and press "enter." Use your mouse or key commands to move around the web page.
- 2) Look for "links" (they're underlined, or in a different color, or both) and click on the ones you want to explore. Follow the directions, if given. It's that simple!

**Watch TVW.** TVW (TV Washington), a non-profit public affairs network, broadcasts the Legislature on cable TV throughout the state. Call TVW for programming information at (360) 586-5555, or visit TVW's website at [www.tvw.org](http://www.tvw.org).

**Ask for assistance.** Legislators are elected not only to represent you, but also to serve you. If you are facing challenges working with a state agency, please contact us for help.



## What we're doing in Olympia to:

- Create jobs
- Protect taxpayers
- Set spending priorities
- Improve access to health care
- Repair our election system

18TH DISTRICT

# LEGISLATIVE REPORT

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Sen. Joe Zarelli  
Rep. Ed Orcutt  
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# LEGISLATIVE REPORT



SEN. ZARELLI



REP. ORCUTT



REP. CURTIS

Dear Friends,

We are in the middle of a session unlike any other. While the acrimonious elections are behind us, the effects are still reverberating through the marbled halls of Olympia.

The challenges we face this session are, in some ways, familiar. Yet the motivations behind those challenges continue to evolve. It is becoming quite clear this session is not about protecting small businesses; it is not about lowering the costs of health care; it is not about jobs and the economy; and it is not about protecting our farmers and private property rights.

In spite of these challenges, we're moving forward. We hope the issues in this newsletter pique your civic interest. You are an involved citizenry and we feel the weight of your opinions and ideas when making decisions here in Olympia.

We sincerely believe we are in a historical time in our state's history. When problems arise, they present us with the greatest opportunities to shine. No one said it was going to be easy, but it certainly is exciting and gratifying!

Please feel free to send your thoughts and opinions to us in Olympia. It is a honor serving you.

In your service,

A green ink signature of Sen. Zarelli, written in a cursive style.

Sen. Zarelli

A green ink signature of Rep. Orcutt, written in a cursive style.

Rep. Orcutt

A green ink signature of Rep. Curtis, written in a cursive style.

Rep. Curtis



## SEN. ZARELLI



## State budget woes offer opportunity to readdress priorities

If your family's budget took a significant hit, would you immediately suggest going without food and shelter? Would you make sacrifices that compromised your children's safety? Of course not. You would start from scratch, looking at every penny spent and prioritize your spending.

The Legislature is faced with a significant budget shortfall – \$2.2 billion. Why? Without getting into too much “budget speak,” the simple answer is because new policies (some approved by voters) combined with the rising costs of health care and salaries for state employees and teachers are FAR OUTPACING existing revenue streams.

Yet instead of engaging in the priorities of government process that helped us bridge a \$2.8 billion budget gap two years ago, majority leaders in both the House and Senate talk about drastic cuts to vital programs that protect the most vulnerable among us, all the while continuing to propose legislation and new programs that *increase spending*. It's obvious their plan is to allude to what a “no-new-taxes” budget would look like, and then after they have terrified citizens, they will swoop in with tax increase proposals to “save the day.”

Democrats also showed they are willing to use one-time money like the tobacco fund settlement to bridge the budget gap. In 2002, a \$400 million tobacco money grab was used by Democrats to balance the budget. How much of today's \$2.2 billion budget deficit is a result of that decision? We have to ask ourselves what the “bow-wave” effect is. Using one-time money does not address the problem of government overspending.

However, our message to leaders in both houses is this: When you find yourself in a hole, stop digging! We continue to fight – on a daily basis – against proposals that increase taxpayer spending. And we will continue to insist the budget be balanced without raising taxes!

Good news for taxpayers came in mid-session. The Washington State Supreme Court unanimously struck down the state's estate tax, commonly called the *death tax*. This tax was especially onerous on family-owned farms and small businesses that pass from one generation to the next.

## Business and jobs – the good, the bad and the ugly

**The Good:** Senate Bill 5325 (prime-sponsored by Sen. Zarelli) allows local governments to use small portions of existing state sales and use taxes for community revitalization projects. This is an economic development tool that will help make Washington, especially economically distressed areas, more competitive. It will help meet infrastructure needs and attract jobs to our state.

*During session, I send out a weekly update via e-mail and a hard copy through the mail for those without computer access. Please contact my office if you wish to be on my weekly update list.*

**The Bad:** House Bill 1173 and Senate Bill 5069 impose a new payroll tax on all employers and employees to fund five weeks of job-protected paid family leave, with an initial cost of more than \$70 million per year! For small companies, where every employee is critical to the operation, an extended employee absence could cause the business to lose customers and layoff other employees. When it comes to stimulating our economy and creating more jobs, House Bill 1173 and Senate Bill 5069 simply take us in the wrong direction for Washington.

**Senate Bill 5747** (co-sponsored by Sen. Zarelli) ties the state's minimum wage increases to the state's unemployment rate. This bill obviously is a very good bill. What earns the “bad” ranking is the fact it wasn't even given a hearing in the Democrat-controlled Senate. Washington already has the highest minimum wage rate in the nation. Suspending minimum wage increases during times of high unemployment in our state will help people keep their jobs and stop the loss of more jobs because employers can't afford the higher wages. (*Died in the Senate Labor, Commerce, Research and Development Committee*)

**Senate Bill 5637** and **House Bill 1702**, dubbed the “Play or Pay Act,” require employers to provide health care insurance or pay a tax to enroll employees in the state's Basic Health Care Plan. There are better ways to provide health care for employees than issuing state mandates, and expanding government-run (socialized) health care.

**The Ugly:** House Bill 1672 is an attempt to resurrect the old ergonomics requirements on nurses. This bill is a violation of the spirit of 2003's Initiative 841, which finally ended these burdensome regulations.

**Senate Joint Resolution 8211** amends the state Constitution to allow for an income tax. Washington voters have rejected income tax proposals eight times since 1943 with the “no” votes accounting for 56.6%, 77.8%, 66.9%, 66.3%, 68.4%, 77%, 66.8%, and 66.2% respectively. Isn't this a clear message that Washington voters DO NOT want an income tax?

**Substitute Senate Bill 1515** extends preferential treatment definitions normally reserved for ethnicity, race and religion, to include “sexual lifestyles.” This proposal was already defeated by the voters when nearly 60 percent of Washingtonians voted against Initiative 677 in 1997. In Clark County, 57.59 percent voted against the measure. Passing this measure will weaken the Defense of Marriage Act.

## Election reform efforts

After the fiasco in King County this past election, reforming our state's voting system has become a top priority for the Legislature. So many bills have been introduced – on both sides of the aisle and in both houses – that it would take an entire newsletter to list them all. Suffice it to say, we will support legislation that does the following:

- Require all persons to re-register to vote. We must clean up the voter rolls. Any election reform package that does not include a complete and mandatory re-registering requirement will only be a band-aid on the problem.
- Eliminate voter fraud by requiring photo ID and proof of voter registration at the polls. While it is our duty to make voting simple and accessible to all, it is also our responsibility to ensure the voting process is secure and dependable.
- Require clear, concise instructions for our military and overseas voters.

While some argue that moving the primary to an earlier date will be a big fix, it's meaningless without the above-mentioned reforms. We will continue to work toward having the nation's finest election system, void of fraud and doubt.





## Protecting taxpayers and putting tax policies to work

I'm honored to be the top-ranking Republican member of the House Finance Committee for the next two years, a position that also will put me on the state's Economic and Revenue Forecast Council with Sen. Zarelli.

Tax-related legislation comes to our committee before it moves to the Appropriations committee, making me the first line of defense when it comes to protecting you -- the taxpayer.

How can we keep taxes under control and still generate the revenue needed to pay for necessary public services, from education to health and social services to law enforcement? By putting people back to work--because more people working means more people buying and more people paying taxes. The idea is to have *more people* paying taxes, not people paying *more taxes*.

Tax policies are an important tool for creating jobs, improving access to health care, restoring fiscal integrity to government, increasing public safety and helping local governments have the funding they need. Over the next two years I will be looking for every opportunity to bring our tax policies in line with the priorities of our citizens. Here are a couple of examples of how we could do that.

**Health care:** In previous legislative sessions the debate about health care has focused on health insurance for consumers and liability insurance for providers. The effect of government's tax policies on health care has been overlooked. I think it's time we expand the discussion. I introduced **House Bill 1275**, which would reduce the business and occupation tax physicians must pay -- now 1.5 percent -- to the rate prescription-drug warehouses pay: 0.138 percent. That's a big reduction, but what good does it do to have warehouses of prescription drugs if people can't afford the health care coverage they need to obtain prescriptions?

Less cost for doctors means less cost for health care, which can only help make health care coverage more affordable.

**Local government:** When certain parcels of public land generate revenue through leasing or logging, the state takes two slices of the revenue before turning the remainder back to the counties where the parcels are located. I think that's at least one slice too many, so I proposed **House Bill 1691** to return part of that timberland revenue back to counties. Under my bill an estimated \$9 -11 million each year would be redistributed back among 20-plus counties instead of going into the state's general fund. That could amount to hundreds of thousands of dollars in additional revenue for some of our financially distressed counties.

**Job creation:** Washington's major business tax is the business and occupation (B&O) tax. It's imposed on the gross receipts of business activities conducted within the state, without any deduction for the

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costs of doing business. For the past 10 years a small business credit is provided under the B&O tax, of up to \$35 per month (or \$420 per year). This hasn't kept up with the times, so now only the smallest firms see a tax reduction. I introduced **House Bill 1675** to raise the credit to \$70 and give our Main Street employers a shot in the arm.

## Supporting the timber industry

I was pleased to be part of the unanimous vote by the Natural Resources, Ecology and Parks Committee members in support of **House Bill 1985**, which would create the Future of Washington Forests Review Council. Washington's forest products industry has been through its ups and downs over the past couple of decades, and this council would evaluate the forest products industry and develop policy recommendations to improve its long-term growth. Its long-term focus would be on helping foresters and wood, pulp and paper producers maintain economic stability and position the industry for continued competitiveness into the future.

This panel's work would include comparing Washington's forest products industry with those in other states, such as how Washington stacks up in terms of taxes and the cost of regulations. Our committee's vote indicates a bipartisan commitment to protect the viability of Washington's wood products industry -- and protect timber jobs!

## Prepare now to save lives later

The 2005 legislative session started for me even before 2004 ended. A few days after the devastating South Asia tsunami I proposed legislation aimed at providing our coastal communities -- where many of us go to dig clams or just relax at the beach -- with incentives to build tsunami-resistant structures for use in emergencies. One is a tax incentive, another would provide an exemption from Growth Management Act rules.

The bottom line is preparing now so we can help save lives in the future, because we live in an area very susceptible to the devastation of tsunamis and earthquakes. It's not a matter of "if" a tsunami will hit our coast -- it's a matter of "when." Now is the time to prepare. If we don't, it could mean the loss of precious lives.

If we have problems with evacuation routes or communications, there must be a local shelter people can turn to for safety. Tsunami-resistant structures would provide safety to people who aren't able to evacuate in time -- which is especially important since warnings may only give people 15 minutes or so to react.

The primary purpose of these structures would be for emergency services during times of disasters, but they also could be used as training sites for emergency responders.





## REP. CURTIS

I'm honored to serve as your new state representative for the 18th District. Like any new job, my first term in the House has been filled with hard work and challenges, but it's also been very rewarding.

During the first week of session, I was appointed Assistant Republican Whip, which is a leadership position within the House Republican Caucus. In this position, I help coordinate some of the day-to-day activities of the 42 Republicans in the House. It's been a great learning experience.

### High dropout rates cause for concern

The statistics are disturbing. Of the students who began Grade 9 in the fall of 1999 and were expected to graduate in 2003, an estimated 24 percent dropped out of school and did not receive a diploma. It's clear that some of our youth just don't understand how this action will affect them for the rest of their lives.

To tackle the problem, lawmakers have sponsored **House Bill 1708** which would enhance dropout prevention programs. The bill recently won the unanimous approval of the House of Representatives and is moving on to the Senate for consideration.

I supported **HB 1708** because it specifically addresses the use of skills centers in reducing the number of dropouts. Skills centers offer high quality career and technical programs which meet the needs of many students, and I believe they are going to play a vital role in reversing Washington's drop out rate.

Skills centers prepare our young adults for living and working in the real world. They allow our youth to graduate with the ability to make a living until they decide to either enhance their current skill by attending college or other technical school, or change careers.

The Clark County Skills Center has done an outstanding job assisting students. Impressively, over 97 percent of their graduates are employed and many go on to college to further their education.

### Vote on simple majority would resolve debate once and for all

**House Joint Resolution 4205** was recently approved by the House, paving the way for voters to decide in November whether or not to change the state's Constitution to allow school levies to pass with only a simple majority. As the law stands, levies can be brought before voters during a special or general election and need 60 percent or a "supermajority" to pass.

I supported this resolution because I believe it's time for this issue to go before the people for a vote. It's gone back and forth between the House and Senate for many years, and I think it's time that the public tells us what it wants.

Like any other issue, there are reasons to vote for or against it. But I believe we've spent enough time on the issue here in the Legislature. Let's get it in front of the people whose opinions matter the most – the voters.

### Solutions to our prescription drug problem

It's clear; the United States is facing a major prescription drug crisis. Unfortunately, the legislation we've seen this session is not only ineffective but has the potential to compromise relations with our Canadian neighbors. The House recently approved several bills proposing to curb prescription drug costs by authorizing the bulk purchasing of drugs from Canada. In response, Canadian Health Minister Ujjal Dosanjh said that solutions to our prescription drug problems are within our own borders, and I agree. The Canadian government will not support these subsidized prescription drugs being sold to the U.S. and we shouldn't expect them to.

In order to solve this crisis, we must identify the root of the problem. The U.S. is footing the tab for the research and development costs for the majority of prescription drugs used in the world, with those costs being passed along to consumers. Research and development costs are *not* figured into the cost of medications that are sold to other countries. This could be due to trade agreements or individual agreements between the drug manufacturers and the countries in which the drugs are being sold.

*"We are a small country of 30 million people, and we cannot be the drugstore for 300 million Americans. The solutions for your problems lie within your borders."*

Canadian Health Minister  
Ujjal Dosanjh, Feb. 16, 2005

So, how do we reduce the cost of prescriptions?

The fact these products are developed by research conducted in the United States could be grounds to claim "Intellectual Property Rights" on these products. I've contacted Congresswoman Cathy McMorris' office and requested they investigate the possibility of attaching a tariff or fee on all medications sold to other countries, if the medication is a result of U.S.-funded research. This tariff or fee could reduce the price of medications without compromising research and development.

Adding to prescription drug expense is drug company advertising, known as Direct to Consumer advertising. Drug companies spend millions of dollars every year on advertising and it's time we know how much those costs add to the price tag. The Federal government could look at ways to restrict or eliminate this type of advertising.

It's not up to other countries to solve our problems, but they do need to pay their fair share of drug costs. I've also spoken with several different pharmaceutical companies and encouraged them to work with us in reducing the cost of medications. By working together, I believe lower-cost prescriptions are within our reach.

**If you and your family need prescription drug assistance now, here are two programs that are available to help:**

**Rx Help for Washington** helps citizens gain access to discount drug programs  
Toll Free 1-877-923-6779 • [www.rxhelpforwa.org](http://www.rxhelpforwa.org)

**Together Rx Access** offers prescription drug coverage for qualified individuals  
Toll Free 1-800-444-4106 • [www.TogetherRxAccess.com](http://www.TogetherRxAccess.com)